

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Insurance
233 Richmond Street
Providence, RI 02903

INSURANCE REGULATION 97

**NOTICE OF MATERIAL CHANGES UPON RENEWAL
OF PERSONAL MOTOR VEHICLE, HOMEOWNER
AND RESIDENTIAL FIRE INSURANCE**

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Section 1 ***Authority***

This Regulation is promulgated pursuant R.I. Gen. Laws §§ 27-8-11 and 42-35-3.

Section 2 ***Applicability***

This Regulation shall apply to the renewal of (1) personal lines auto insurance, (2) homeowners insurance, and (3) residential fire insurance, or any components thereof. This Regulation requires notification to insureds upon renewal of any material changes in policy deductibles, limits, coverages, conditions or definitions, unless the change was requested by the insured.

Section 3 ***Definitions***

(a) “Renewal” or “to renew” shall mean the issuance of, or the offer by an insurer to issue, a policy succeeding a policy previously issued and delivered by the same insurer, or the issuance of a certificate or notice extending the term of an existing policy for a specified period beyond its expiration date.

(b) “Expiration date” shall mean the date upon which coverage under a policy ends or, for a policy written for a term longer than one (1) year or with no fixed expiration date, each annual anniversary date of such policy.

(c) “Material Change” means any coverage modification which affects the policy deductible, limits, coverage, conditions or definitions, not requested by the insured.

Section 4 Notice of Material Changes upon Renewal

(a) Upon an offer to renew, an insurer shall provide, at least thirty (30) days prior to the expiration of the policy, written notice of any material changes in policy deductibles, limits, coverages, conditions or definitions to the named insured at the mailing address shown on the policy, and the producer if any. The offer to renew must include a written explanation, in at least ten (10) point type, of any material change to the policy. This section shall not apply to a material change requested by the insured, including changes requested by the insured at the time of application that would typically occur at the renewal date for as long as the policy is in force, such as inflation coverage adjustment features and other similar policy elements.

(b) For purposes of compliance with this section, an insurer may include notice of material changes on a policy declarations page that would be provided to the insured at least thirty (30) days prior to the expiration of the policy.

(c) For purposes of compliance with this section as to notice to producers, an insurer may use established forms of communications, including but not limited to, electronic mail or other computerized systems that will provide the relevant information directly to producers.

Section 5 Failure to Comply

If an insurer fails to provide notice in accordance with this Regulation, the coverage provided to the named insured in the expiring policy shall remain in effect, without the coverage modification, until notice is provided or until the effective date of replacement coverage obtained by the named insured, whichever occurs first. For the purposes of this Regulation, the notice period begins on the date of mailing of the notice. If the named insured elects not to renew, any earned premium for the period of extension of the terminated policy shall be calculated pro rata at the lower of the current or previous year’s premium. If the insured accepts the renewal, the material changes of which the insured was notified in accordance with this Regulation shall be effective on the renewal date.

Section 6 Proof of Notice

An insurer shall be responsible for ensuring that a notice of material changes is provided to the named insured at the address shown in the policy and to the producer if any, and shall be able to demonstrate that such notice was provided.

Section 7 Applicability

This Regulation shall apply to all renewal notices mailed or delivered ninety (90) days after the effective date of this Regulation. To the extent that this Regulation conflicts with existing regulation(s), the notice of material changes requirements enumerated herein shall apply.

Section 8 Severability

If any section, term, or provision of this Regulation should be adjudged invalid for any reason, that judgment should not effect, impair, or invalidate any remaining section, term, or provision, which shall remain in full force and effect.

Section 9 Effective Date

This Regulation shall be effective on July 16, 2001.

EFFECTIVE DATE:	July 16, 2001
REFILED:	December 19, 2001